

House Agriculture Committee
2007 Farm Bill (H.R. 2419) Fact Sheets
Developed by the House Agriculture Committee Staff

- Title - Commodity Programs
- Title - Conservation
- Title - Trade
- Title - Nutrition
- Title - Credit
- Title - Rural Development
- Title - Research
- Title - Forestry
- Title - Energy
- Title - Horticulture and Organic Agriculture
- Title - Miscellaneous Provisions

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Select Points

- ◆ Continues support for farmers through direct payments at the same levels as current law.
- ◆ Preserves the non-recourse marketing loan program.
- ◆ Continues the price-based counter-cyclical program and offers producers the option of enrolling in a new revenue-based counter-cyclical program.
- ◆ Continues current base acres with direct payment and counter-cyclical yields.
- ◆ Payment base continues at 85% for direct payment and counter-cyclical payments.
- ◆ Establishes separate loan rates for long grain and medium/short grain rice.
- ◆ Changes the calculation of the adjusted world price of cotton to reflect current market conditions.
- ◆ Payment Limits
 - Imposes a hard cap of \$1 million on average adjusted gross income (AGI) for eligibility to receive farm program payments. AGI average is based on the three prior tax years.
 - Requires that those with AGI of \$500,000 or greater to receive 66.66% of their income from farm, ranch or forestry sources in order to receive farm program payments.
 - Eliminates the three-entity rule that allows producers to collect as much as double the current limit on farm program payments and requires direct attribution of farm program payments to the individuals who receive them.
 - Reduces the total payment cap for direct and counter-cyclical payments for a single farmer from \$210,000 to \$125,000

Commodity	Unit	Loan Rate		Direct Payment Rate		Target Price		Revenue Counter
		2007	08 - 12	2007	08 - 12	2007	08 - 12	Counter-Cyclical Target
Rice	cwt	\$6.50		\$2.35	\$2.35	\$10.50	\$10.50	\$548.06
Long	cwt		\$6.50					
Medium	cwt		\$6.50					
Cotton	lb	\$0.52	\$0.52	\$0.0667	\$0.0667	\$0.724	\$0.700	\$496.93
Soybeans	bus	\$5.00	\$5.00	\$0.44	\$0.44	\$5.80	\$6.10	\$231.87
Wheat	bus	\$2.75	\$2.94	\$0.52	\$0.52	\$3.92	\$4.15	\$149.92
Corn	bus	\$1.95	\$1.95	\$0.28	\$0.28	\$2.63	\$2.63	\$344.12
Sorghum	bus	\$1.95	\$1.95	\$0.35	\$0.35	\$2.57	\$2.57	\$131.28

2007 Farm Bill Commodity Title:

Investing in a Strong Safety Net that Ensures a Stable Food Supply

- **Extends the strong safety net for farmers**
 - Maintains the safety net programs authorized in the 2002 Farm Bill with minor changes.
 - Continues support for farmers through direct payments at the same levels as current law.
 - Preserves the non-recourse marketing loan program, the fundamental piece of the farm safety net.
 - Continues the price-based counter-cyclical program, which provides assistance when prices decline.
- **Rebalances farm programs to improve equity among commodities and reflect changes in the marketplace for these commodities**
 - Increases target prices for wheat, barley, oats, oilseeds and soybeans, which increases producers' opportunity to receive counter-cyclical payments when prices are low.
 - Rebalances loan rates on wheat, barley, oats, oilseed, small chickpeas and graded wool, enhancing the basic safety net for these commodities.
- **Improves performance of loan rates for several crops to reflect current market values for these commodities**
 - Establishes separate loan rates for long grain and medium/short grain rice.
 - Establishes separate loan rates for feed and malt barley.
 - Equalizes sorghum loan rates with corn loan rates down to the county level.
 - Changes the calculation of the adjusted world price of cotton to reflect current market conditions and adjusts the cotton marketing loan program to make American cotton more competitive and move stocks out of storage.
- **Offers producers the option of enrolling in a new revenue-based counter-cyclical program**
 - Producers would receive payments for a commodity when the actual national revenue per acre for the commodity is less than the national target revenue per acre.
 - The national target revenues for each commodity are based on the target prices in the in the 2007 Farm Bill.
 - Producers can decide which commodities to enroll in the program, allowing for maximum flexibility and opportunity for experimentation.
 - Revenue-based programs are supported by the American Farm Bureau Federation, National Corn Growers Association, American Farmland Trust, and the U.S. Department of Agriculture

Farm Bill Commodity Program Facts:

- 25 different commodities, representing one-third of gross farm sales, qualify for Farm Bill program support.
- Commodities that qualify for Farm Bill support under the Commodity Title include corn, wheat, soybeans, other oilseeds (including sunflower seed, rapeseed, canola, sesame seed and others), rice, cotton, sugar, peanuts, grain sorghum, barley, oats, wool, mohair, honey, dry peas, lentils, small chickpeas, dairy products.
- Spending on Commodity Title programs accounts for only about 13% of the Farm Bill's budget.

- **Reforms payment limits for commodity programs**
 - Imposes a hard cap of \$1 million on average adjusted gross income (AGI) for eligibility to receive farm program payments. AGI average is based on the three prior tax years.
 - Requires that those with AGI of \$500,000 or greater to receive 66.66% of their income from farm, ranch or forestry sources in order to receive farm program payments
 - Eliminates the three-entity rule that allows producers to collect as much as double the current limit on farm program payments and requires direct attribution of farm program payments to the individuals who receive them.
 - Reduces the total payment cap for direct and counter-cyclical payments for a single farmer from \$210,000 to \$125,000

- **Modifies and extends the current sugar program, preserving American jobs.**
 - Raises the loan rate for sugar (to 18.5 cents for cane sugar and 23.5 cents for beet sugar) and changes overall allotment quota to be a minimum of 85% of domestic consumption (previously was a set amount)
 - Provides continued support for the U.S. sugar producers with the successful marketing allotment program, while ensuring that domestic sugar cane and beet producers provide most of the sugar demanded by U.S. consumers.

- **Achieves greater equity among commodities by ending government storage payments for commodities.**

- **Strengthens the American dairy industry**
 - Extends the Milk Income Loss Contract Program until 2012.
 - Supports the price of cheddar cheese, butter, and nonfat dry milk by government purchase of such products.
 - Reestablishes the Dairy Forward Pricing Program, which allows dairy farmers to voluntarily enter into forward contracts with milk handlers. Other commodity producers also use forward contracts to manage risk.
 - A forward contract is an agreement to sell a stated quantity of milk, for a stated period, at a stated price. A forward contract is a voluntary risk management tool that can allow producers and handlers are able to “lock in” prices, reducing risk associated with changes in price and income and enhancing the ability to obtain financing.
 - Extends the Dairy Export Incentive Program (DEIP), which helps U.S. dairy product exporters market their products overseas in countries where U.S. dairy products much compete with subsidized domestic dairy products.
 - Requires importers and dairy producers in Alaska, Hawaii, and Puerto Rico to participate in funding the Dairy Research and Promotion Program, which funds promotion and research activities to strengthen the dairy industry's position in the marketplace and to maintain and expand domestic and foreign markets and uses for fluid milk products and dairy products produced in the United States. Currently, the promotion program applies only to the 48 contiguous States.

2007 Farm Bill Conservation Title:

Investing in Conservation Programs That Preserve Natural Resources

- **Extends the Popular Conservation Reserve Program (CRP)**

- 2007 Farm Bill:

- Authorizes 39.2 million acres to be enrolled in the program through 2012.
 - Includes a new provision to allow retired landowners participating in CRP to modify their contracts if the land is being transferred to a beginning or socially disadvantaged farmer or rancher. This would allow a beginning or socially disadvantaged farmer or rancher to return some of this land to grazing or crop production

- Program Basics:

- CRP helps farmers and ranchers comply with Federal, State, and tribal environmental laws and encourages environmental enhancement.
 - It encourages farmers to convert highly erodible cropland and other environmentally sensitive land to vegetative cover.
 - Farmers agree to a multi-year contract and receive an annual rental payment. The program also includes cost sharing to establish the vegetative cover practices.

- **Renews & Expands the Wetlands Reserve Program (WRP)**

- 2007 Farm Bill:

- Provides funding to reestablish a baseline and extend the program through 2012.
 - Adds 1.33 million acres to the program, which could include up to 10,000 acres of floodplain easements each year.
 - Directs USDA to determine the fair market value when evaluating appraisals that are used for payment offers.

- Program Basics:

- WRP is a voluntary, nonregulatory, incentive-based program that helps private landowners, farmers and ranchers protect and restore wetlands on their property and removes marginal croplands from production.
 - Eligible landowners receive financial incentives to restore, protect and enhance wetlands that they agree to retire from agriculture production.
 - In 2006, USDA changed the regulations for WRP, which has resulted in lower WRP payment offers for landowners, and as a result, some landowners are not participating in the program. That is why the 2007 Farm Bill proposal includes language directing USDA to use fair market value when appraising land for WRP.

- **Extends and Increases Funding for the Environmental Quality Incentives Program (EQIP)**

- 2007 Farm Bill:

- Expands funding for EQIP each year through the end of the Farm Bill in 2012.
 - Includes the promotion of forest management and energy conservation in the EQIP program goals, while continuing to allocate 60% of the program funds for livestock production.

- Expands the activities for which a producer can receive incentive payments to include technical services that will help fruit and vegetable producers access the program.
- Changes the evaluation process for EQIP applications to give priority to address State, regional or local resource concerns.
- Allows for applications that address similar agriculture operations to be considered together.
- Makes organic certification eligible for cost-share payments

Program Basics:

- EQIP offers financial and technical help to assist farmers and ranchers install or implement conservation practices on eligible agricultural land to protect water, air and soil quality as well as wildlife habitat.
- EQIP can provide cost-sharing for up to 75% of the costs for certain conservation practices. Beginning or socially disadvantaged farmers and ranchers may be eligible for cost-shares up to 90%.

- **Continues and Funds Conservation Innovation Grants (CIG)**

2007 Farm Bill:

- Provides \$20 million per year from 2008-2012.
- Establishes a comprehensive conservation planning pilot for the Chesapeake Bay
- Provides funds for outreach to fruit, vegetable and organic producers
- Provides \$150 million for air quality programs

Program Basics:

- Conservation Innovation Grants help identify, test, and implement innovative environmental solutions. State and local governments, non-profit groups and individuals may apply for the competitive grants.

- **Creates a New Regional Water Enhancement Program (RWEPP)**

2007 Farm Bill:

- Authorizes this new program and funds it at \$60 million per year from 2008-2012.
- Allows cooperative agreements between the Secretary and agriculture producers or non-federal governmental entities to improve regional water quality or quantity in priority areas, including the Chesapeake Bay, Klamath, Everglades, and Upper Mississippi River Basin.

- **Extends and Increases Funding for Farm and Ranchland Protection Program (FRPP)**

2007 Farm Bill:

- Expands funding for FRPP each year through the end of the Farm Bill in 2012.
- Includes changes to address numerous concerns that the current program is becoming increasingly bureaucratic and inaccessible by establishing a more user-friendly certification process that will determine eligibility for program funds

Program Basics:

- FRPP provides matching funds (up to 50 percent of the fair market easement value) to help State, tribal, or local governments and non-governmental

organizations purchase development rights to keep productive farm and rangeland in agricultural uses.

- Participating landowners agree not to convert their land to non-agricultural uses and to develop and implement a conservation plan for any highly erodible land. Landowners retain rights to use the property for agriculture uses.
- FRPP is a very popular program, especially in the Mid-Atlantic and Northeast regions of the United States.

- **Provides New Resources to Protect and Restore the Chesapeake Bay Region**

- 2007 Farm Bill:

- Includes \$25 million for a Chesapeake Bay pilot program for comprehensive conservation planning under the Conservation Innovation Grants program to help producers find cost effective strategies to address resource concerns.
 - Includes \$150 million for river restoration projects in the Chesapeake Bay to improve water quality, and restore and enhance wildlife in the Chesapeake Bay watershed.

- **Renews & Funds the Small Watershed Rehabilitation Program (SWRP)**

- 2007 Farm Bill:

- Provides \$200 million to create a baseline for program funding and extends the program through 2012.

- Program Basics:

- Provides technical and financial assistance from USDA for the rehabilitation of existing small watershed projects that may include upgrading or removing the dams.

- **Improves the Structure of the Conservation Security Program (CSP)**

- 2007 Farm Bill:

- Collapses the three tiered system and replaces the structure with an annual stewardship enhancement payment to compensate producers for new and ongoing implementation and maintenance of conservation practices and activities.
 - Allows for contract modification of existing contracts for farmers participating under the old CSP program.

- Program Basics:

- The current CSP program pays farmers who are implementing conservation practices on their working lands. It provides annual payments and increasing financial incentives to encourage the continuation of farming practices that benefit soil, water, and air resources
 - USDA has not implemented the program nationwide, as the original law required and has restricted CSP participation by limiting program enrollment each year to producers in specified, priority watersheds. This has been controversial and has prevented many eligible farmers from accessing the program.

- **Extends the Wildlife Habitat Incentives Program (WHIP)**

- Program Basics:

- WHIP helps landowners develop and improve wildlife habitat primarily on private land, providing technical assistance and up to 75 percent cost-share assistance to establish and improve fish and wildlife habitat.

- **Continues and Expands the Grassland Reserve Program**

- 2007 Farm Bill:

- Extends the Grassland Reserve Program (GRP), which offers landowners the opportunity to protect, restore, and enhance grasslands on their property.
 - Provides funding to enroll 1 million acres in the program
 - Allows for third party ownership, negotiation and enforcement in GRP.
 - Places an emphasis on long-term benefits for grasslands.

- Program Basics:

- GRP helps landowners restore and protect grassland, rangeland, pastureland, shrubland and certain other lands and provides assistance for rehabilitating grasslands. The program conserves vulnerable grasslands from conversion to cropland or other uses and conserve valuable grasslands by helping maintain viable ranching operations.

- **Establishes a Cooperative Conservation Program Initiative**

- Allows third parties, for example State and local governments, producer groups and Indian tribes, to help identify specific conservation areas and issues that could better be addressed with their involvement.
 - This initiative could help reach underserved populations, such as minority farmers and ranchers and specialty crop producers.
 - A similar provision in the 2002 Farm Bill was included to foster partnerships and cooperation to make the best use of scarce federal funds and address the shortfall in the availability of technical assistance for conservation. Unfortunately, that provision was never implemented.

- **Creates an Open Fields Program**

- Provides incentives to state governments and Indian tribes to provide public access to private land for hunting and fishing.

2007 Farm Bill Trade Title:

Increasing Access and Expanding Trade throughout the World

- **Increases the availability and viability of American products in foreign markets.**
 - Increases funding for the Market Access Program by \$125 million over 5 years.
 - Extends the Foreign Market Development Program which works to expand US export opportunities.
 - Provides \$38 million for the Technical Assistance for Specialty Crops Program, which helps US organizations address sanitary, phytosanitary and other technical barriers that keep them from exporting to certain other countries.
- **Reforms the Export Credit Guarantee Programs to bring them into compliance with World Trade Organization agreements.**
 - Lifts the fee cap of 1% on the GSM-102 program.
 - Eliminates long term export credit (the GSM-103 program).
- **Helps fight hunger and provides food assistance around the world.**
 - Increases ability of the Agency for International Development to pre-position food around the world to get food aid to people faster.
 - Ensures that not less than \$450 million from food aid programs be used in each fiscal year for developmental programs that address chronic hunger.
 - Reauthorizes the McGovern-Dole International Food for Education and Child Nutrition Program.
 - Increases oversight and monitoring of food aid programs to increase efficiency and ensure effectiveness.

Farm Bill Trade Program Facts:

- The Foreign Agricultural Service administers the Export Credit Guarantees Programs (GSM-102 and GSM-103). Currently, GSM-102 guarantees short term financing ranging from 6 months to 3 years.
- The McGovern-Dole program was established in the 2002 farm bill to replace the Global Food for Education Initiative pilot program.

2007 Farm Bill Nutrition Title:

Promoting Health and Fighting Hunger in the United States

- **Reforms benefit rules to adequately cover food expenses and sustain participants for the entire month.**
 - Raises and indexes the minimum standard deduction.
 - Increases the minimum benefit for food stamp recipients, which is especially important for senior citizens in need.
 - Indexes asset limits and excludes retirement and education accounts as assets.
 - Lifts dependent care cap, allowing participants to deduct the full cost of dependent care
 - Excludes special combat pay as income
- **The 2007 Farm Bill supports programs that combat food insecurity.**
 - Extends and funds The Emergency Food Assistance Program (TEFAP), which provides commodities and other assistance to states and helps stock food banks and homeless shelters. Expands funding for the program each year from \$140 million in 2008 to \$250 million in 2012.
 - The Puerto Rico and American Samoa Block Grant Program, and the Food Distribution Program on Indian Reservations (FDPIR).
- **Renames the Food Stamp Program the “Secure Supplemental Nutrition Assistance Program” (SSNAP).**
 - Reflects the fact that the program has transitioned away from paper coupons, known as food stamps to a system of electronic benefits, which increases efficiency for users and decreases fraud and abuse in the program.
- **Updates the Secure Supplemental Nutrition Assistance Program to reflect technological advances and decrease abuse.**
 - Ends the use of Food Stamp Coupons and requires the use of Electronic Benefit Transfer (EBT).
 - Permits technological modernization of State food stamp administration programs while maintaining requirements for merit-based personnel to communicate and determine eligibility for applicants and participants

Farm Bill Nutrition Program Facts:

- A 2006 study by USDA’s Economic Research Service (ERS) found that 11% of U.S. households were food insecure in 2005.
- The average food stamp recipient is a single working mother with two children and an average monthly benefit of \$37.
- 50% of all food stamp participants are under 18, and about half of all households include one child.
- USDA oversees nearly 20 nutrition assistance programs which are mostly administered by states, schools and local grantees operating under federal regulations.
- Eligibility for food stamps is primarily based on a household’s economic status, taking into account income, cost of living and other financial factors.

- Strengthens the ability of USDA to punish violators by increasing the fines for vendors who participate in the EBT program from \$10,000 to \$100,000 per violation.
- **Ensures that Senior Citizens have ample access to food that is healthy and fresh.**
 - Extends the Commodity Supplemental Food Program (CSFP) which helps many low-income elderly individuals that need additional assistance or are reluctant to apply for food stamps.
 - Expands the authority of the Senior Farmer's Market Nutrition Program which provides senior citizens with vouchers to buy fresh produce at markets and roadside stands.
- **Promotes the health and well-being of children and low-income people.**
 - Increases funding to \$406 million for the Department of Defense Fresh Fruit and Vegetable Program (DOD Fresh) which provides a greater variety of fresh produce to schools.
 - Continues and expands the USDA Snack Program, which helps schools provide healthy snacks to students during after-school activities and expands the program to all 50 states, providing \$350 million over 5 years for the program.
 - Creates a demonstration project that will evaluate strategies to address obesity among low-income communities
 - Reasserts the importance of USDA nutrition monitoring, which provides vital information. This data, combined with the USDA dietary guidelines, provides the most accurate picture of American dietary habits.
- **Improves assistance through the Food Distribution Program on Indian Reservations.**
 - Studies the Food Distribution Program on Indian Reservations to determine if the food packages meet dietary guidelines and needs
 - Authorizes \$5 million per year for a fund to purchase native and locally grown food
- **Improves accessibility of nutrition program application process.**
 - Allows states to use telephonic signatures for food stamp applications.
 - Requires state agency employees to make determinations about food stamp eligibility and to communicate with applicants about eligibility issues.
- **Reauthorizes the Congressional Hunger Center, which provides training for anti-hunger leaders domestically and internationally.**
 - The Congressional Hunger Center operates the Bill Emerson National Hunger Fellows Program and the Mickey Leland International Fellows Program, which provide a select group of fellows the skills, knowledge and experience to become effective anti-hunger leaders.

2007 Farm Bill Credit Title:

Ensuring Access to Credit in Rural America

- **Expands Credit Availability for Farmers and Ranchers**

- The 2007 Farm Bill:

- Increases the farm ownership loan limit and the operating loan limit to \$300,000

- Program Basics:

- Currently, the FSA limits maximum direct loans to \$200,000 per borrower.

- **Establishes a loan guarantee program to help farmers carry out conservation programs**

- The 2007 Farm Bill:

- Creates a program that allows USDA to provide loans to farmers and ranchers to carry out conservation projects
 - Requires the Secretary, when making or guaranteeing loans for soil and water conservation and protection to give priority to:
 - 1) Qualified beginning farmers or ranchers;
 - 2) Socially disadvantaged farmers or ranchers;
 - 3) Producers who use the loans to build conservation structures or establish conservation practices.

- **Prioritizes Socially Disadvantaged and Beginning Farmers and Ranchers in Credit Programs**

- The 2007 Farm Bill:

- Increases the amount of direct farm ownership loans, guaranteed farm ownership loans, direct farm ownership loans reserved for down payment and direct operating loans for beginning farmers and ranchers.
 - Makes adjustments to the Beginning Farmer and Rancher Down Payment Loan Program, including fixing the interest rate at 4% below the regular direct farm ownership loan interest rates or 1%, whichever is greater; maximum allowable sales price is increased from \$250,000 to \$500,000; the borrower down payment requirement is reduced to not less than 5%; the FSA portion is increased to 45%; and the term of the loan is changed from 15 years to 20 years;
 - Makes Socially Disadvantaged farmers and ranchers eligible for the Beginning Farmer and Rancher Down Payment Loan Program.
 - Restores priority given to socially disadvantaged farmers and ranchers whenever the Secretary of Agriculture sells or leases property.
 - Extends the right of first refusal to reacquire a homestead property to members for the immediate family member of borrower-owners who are socially disadvantaged farmers or ranchers.

- **Expands the Land Contract Pilot Program**

- The 2007 Farm Bill:

- Extends the current 2-year limit on payment guarantees to 3 years.
 - Provides land sellers the option of choosing either the 3 year guarantee or a standard 90% guarantee

- Makes Socially Disadvantaged Farmers and Ranchers eligible for the program

Program Basics:

- The program provides loan guarantees to sellers who self-finance the sale of land to beginning farmers and ranchers.

- **Improves the Tribal Land Acquisitions Loan Program**

- Provides additional tools to help Native American producers keep tribal lands in agricultural production.

- Amends the current program to allow individual tribal members to utilize the program.

2007 Farm Bill Rural Development Title: Investing in Rural America

- **Makes critical investments in our rural communities**
 - Renews successful programs that provide vital healthcare, emergency and communications needs to underserved areas.
 - Adds innovative projects to promote economic development in the technology-driven 21st Century.
- **Ensures rural development dollars go to rural areas with the greatest need:**
 - Requires the Secretary to assess the varying definitions of rural used by the U.S. Department of Agriculture and to make recommendations to Congress to better target funds through rural development programs.
- **Addresses Health Care, Emergency, and First Responder Needs of Rural Areas:**
 - Authorizes the Rural Firefighters and Emergency Medical Service Assistance Program to provide improved emergency medical services in rural areas.
 - Creates a new grant program to assist rural health facilities in the key areas of health information technology and quality improvement.
 - Expands 9-1-1 access in rural areas by making telephone loans to public entities for facilities and equipment.
 - Provides grants for weather radio transmitters to increase coverage of rural areas by the emergency weather broadcast system.
- **Connects Rural America with the Rest of the World:**
 - Improves access to broadband telecommunications services in rural areas with a greater focus on the rural communities of greatest need.
 - Authorizes the Community Connect Grant Program to provide grants to finance broadband transmission in rural areas to currently unserved rural communities.
 - The bill extends and makes major changes to the existing broadband program to ensure a greater focus on rural areas and reduce the level of loans going to areas already sufficiently served by existing broadband providers.
 - Ensures the nation has a comprehensive rural broadband strategy.

Farm Bill Rural Development Facts:

- USDA administers the greatest number of rural development programs and has the highest average of program funds going directly to rural counties (50%).
- USDA's rural development mission is to enhance rural communities by targeting financial and technical resources to areas of greatest need.
- USDA supports rural development initiatives through guaranteed loans, direct loans, grants, and through intermediaries.
- Farm Bills are the major legislative vehicle for addressing rural development issues. Since 1973 each Farm Bill has included a rural development title.
- The Rural Electrification Act of 1936, which brought electrical power and telephone service throughout rural America, is the first in a long line of rural development bills that help rural communities keep pace with the rest of America and the world.
- Rural development initiatives now move beyond agriculture and resource labor to focus on service, skilled-labor and technology-intensive economic development to create and retain an educated, talented workforce in rural America.

- **Expands the Value-Added Agricultural Product Market Development Grant program**
 - Increases program funding to \$30 million per year, which provides grants for planning and working capital for marketing value-added products.
 - Creates a 10% set-aside for beginning and socially disadvantaged farmers and ranchers
 - Creates a 10% set-aside for mid-tier value chains, which are strategic alliances between small to mid-sized farms and ranches and other supply chain partners that distribute the benefits of these partnerships across the supply chain.

- **Advances Economic Development in Rural America by Attracting New Businesses, Improving Access to Technology, and Capturing New Markets:**
 - Authorizes a technology transfer program that provides technical information and resources for farmers practicing or transitioning to sustainable and organic farming practices.
 - Creates a new Rural Entrepreneur and Microenterprise Assistance Program to provide technical and financial assistance to micro-enterprises and small businesses in rural areas with less than 10 employees.
 - Extends Rural Business Opportunity Grants for job training in rural areas.
 - Extends Rural Cooperative Development Grants, a competitive program that establishes and operates centers for rural cooperative development.
 - Extends the Agriculture Innovation Center Demonstration Program, which provides technical assistance, outreach, and business and marketing planning to increase the viability, growth, and sustainability of value-added agricultural businesses.
 - Creates a preference within the Business and Industry Program for loans and loan guarantees for rural food enterprise entrepreneurs that process and distribute food locally and regionally.

- **Renews Critical Infrastructure That Works For Rural America:**
 - Renews Water and Waste Disposal Grants and Rural Water and Wastewater Circuit Rider Programs to help reduce water and waste disposal operating costs for rural areas and towns.
 - Renews the Emergency and Imminent Community Water Assistance Grant Program to provide technical assistance to communities that have had a significant decline in quantity or quality of drinking water.
 - Provides grants to qualified non-profit organizations for the construction of household water well systems in low-income areas.

- **Strengthens Successful Regional Partnerships**
 - Extends the Delta Regional Authority, a federal-state partnership that has funded 334 projects in its first five years and led to the investment of more than \$750 million in the region.

- Extends and enhances the Northern Great Plains Regional Authority by enhancing flexibility for the Authority as well as including renewable energy projects among the target funding areas.
- Establishes a National Board on Rural America that is to make planning and innovation grants to certified Regional Investment Boards.

2007 Farm Bill Research Title: Investing in Research to Advance Agriculture

- **Streamlines agricultural research by establishing a National Agriculture Research Program Office (National Program Office).**

- The office will coordinate the programs and activities of USDA's research agencies in an effort to minimize duplication and maximize coordination at all levels.
- Creates 6 Program Offices within the National Program Office. Each Program Office will have a Director to help formulate programs, develop planning and priorities for agriculture research, and help coordinate and track research activities related to agriculture research.

Six Program Offices:

- Renewable Energy, Natural Resources & Environment
- Food Safety, Nutrition, and Health
- Plant Health and Production Protection
- Animal Health and Production Protection
- Agriculture Systems and Technology
- Agriculture Economics and Rural Communities

- **Establishes an Office to administer competitive grants.**

- Promotes the importance of competitive grant programs.
- Reinforces the significance of funding such programs.

- **Requires the President to submit to Congress a single line item reflecting the total amount requested for agriculture research programs.**

- Currently, funding is spread among various agencies, making it difficult to track the total amount of federal investment in agriculture research activities.

- **Preserves Authority for Core Formula Programs for State Level Research and Extension.**

- Continues programs established under the Hatch Act of 1887 and the Smith-Lever Act of 1914.

- **Encourages prioritization of additional funding for Historically Black Colleges and Universities (the 1890 institutions), Native American Colleges and Universities (the 1994 institutions), and small land grant universities.**

- **Expands access to funding, authority and eligibility for research and extension dollars for Hispanic Serving Agricultural Colleges and Universities.**

- Creates an endowment fund, institutional capacity building program to promote agriculture and sciences, and competitive grant proposal for Hispanic Serving Agricultural Colleges and Universities

Farm Bill Research Facts:

- Agriculture research can lead to outcomes that boost farm productivity, prevent and address plant and animal disease, discover new technologies that expand the use of agricultural products, and benefit consumers as well as agricultural producers.

- Most research at USDA falls under one of four Agencies:

- Agricultural Research Service (ARS) is the in-house scientific research agency.

- The Economic Research Service (ERS) analyzes statistical indicators in all areas of agriculture to support public and private decision-making.

- The National Agricultural Statistics Service (NASS) collects and analyzes a broad range of data and administers the U.S. Census of Agriculture.

- The Cooperative State Research, Education, and Extension Service (CSREES) channels money to states and U.S. territories to support higher education agriculture programs, state and regional research, and continuing agricultural education and public outreach.

- Expands extension capabilities for Hispanic Serving Agricultural Colleges and Universities
- Amends existing authorities to ensure that Hispanic Serving Agricultural Colleges and Universities are eligible for such programs as the International Ag Research and Extension Program
- **Creates high priority research initiatives for research related to specialty crop and organic production.**
 - Dedicates \$25 million for organic research priorities
 - Provides \$215 million for Specialty Crop Research Initiative and \$25 million for fresh produce safety grants
- **Creates high priority research initiatives for research related to bioenergy and biobased products.**

2007 Farm Bill Forestry Title:

Protecting and Sustaining Healthy Forests

- **Protects the future of our forests.**
 - Sets new national private forest conservation priorities
 - Directs states to conduct assessments of current forest resources.
 - Requires states to develop a long-term strategy for forest resource management.
- **Increases efficiency in existing forestry programs.**
 - Improves cooperation between the government, private landowners and the conservation community in the newly renamed Forest Resource Coordinating Committee.
 - Reauthorizes the Office of International Forestry, which promotes sustainable forest management and biodiversity conservation internationally.
- **Improves biodiversity, fights global warming and protects endangered species.**
 - Extends and provides \$17 million per year for the successful Healthy Forest Reserve Program, which helps private forestland owners protect endangered species.
 - Continues the Emergency Forestry Conservation Program, which helps eligible landowners and operators restore and enhance forestland damaged by natural disasters, including hurricanes, for non-industrial forest lands.
- **Helps the nation become more energy independent.**
 - Reauthorizes Rural Revitalization Technologies to address the use of forest biomass in energy production.
- **Creates new opportunities for socially disadvantaged workers.**
 - Establishes a grant program to recruit and train Hispanics and underserved groups for careers in forestry and related fields.

Farm Bill Forestry Program Facts:

- Government funds first went to forestry issues to study western forests in the 1877 Agriculture Appropriations Act.
- The Division of Forestry was established in the Department of Agriculture (USDA) in 1881, but the Forest Service was not created until 1905.
- Forests provide a broad array of environmental services to the American people, most notably clean air and water, wildlife habitats, pleasant scenery, and renewable energy as well.
- The economies of many rural communities have depended on the use of forest resources, whether it be in finding, extracting, processing, or selling the products.

2007 Farm Bill Energy Title:

Investing in Renewable Energy Programs to Promote Energy Independence

- **Provides Loan Guarantees for Biorefineries and Biofuels Production Plants**

The 2007 Farm Bill:

- Provides loan guarantee authority for biorefineries, with half going to loans less than \$100 million, and the other half for loans up to \$250 million.
- Requires that construction contractors and subcontractors on federally assisted loan guarantee projects pay their employees not less than the prevailing wage in the same locality under the Davis-Bacon Act.

Program Basics:

- The program would help finance the cost of developing and constructing biorefineries and biofuel production plants to carry out projects to demonstrate the commercial viability of converting biomass to fuels or chemicals.

- **Continues Funding for the Biodiesel Fuel Education Program**

The 2007 Farm Bill:

- Provides \$10 million to continue the Biodiesel Fuel Education Program as funding is made available.

Program Basics:

- The program awards competitive grants to nonprofit organizations that educate governmental and private entities operating vehicle fleets, and educate the public about the benefits of biodiesel fuel use.
- The 2002 Farm Bill funded the program at \$5 million from 2003-2007.

- **Increases Funding for the Renewable Energy & Energy Efficiency Improvements Program**

The 2007 Farm Bill:

- Increases funding for the Renewable Energy & Efficiency Improvements Program, to be renamed the Rural Energy for America Program, over the 5 years included in the 2007 Farm Bill.
- Allows for feasibility studies to be eligible for the program.

Program Basics:

- The program, also known as Section 9006, authorizes loans, loan guarantees, and grants to farmers, ranchers, and rural small businesses to purchase and install renewable energy systems and to make energy efficiency improvements.
- Takes loan guarantee level from \$10 million to \$25 million.
- Grant funds may be used to pay up to 25% of the project costs. Combined grants and loans or loan guarantees may fund up to 75% of the project cost.
- Eligible projects include those that derive energy from wind, solar, biomass, or geothermal sources. Projects using energy from those sources to produce hydrogen from biomass or water are also eligible
- The 2002 Farm Bill provided \$115 million over 5 years for this program.

- **Improves and Increases Funding for the Bioenergy Program**

The 2007 Farm Bill:

- Provides funding to continue the Bioenergy Program, which provides production incentives for increases in production of ethanol and biodiesel made from agricultural and forestry crops and associated waste materials, including animal manure and livestock/food processing waste.
- Expands eligibility for combined heat and power production using biomass at biofuels plants and biomass gasification as eligible types of bioenergy that could receive the production incentive.

Program Basics:

- The Bioenergy Program makes payments to eligible bioenergy producers, based on any year-to-year increase in the quantity of bioenergy that they produce.

- **Creates a Biomass Energy Reserve Program to Develop the Next Generation of Feedstocks for Renewable Energy**

The 2007 Farm Bill:

- Establishes a program to encourage the production of feedstocks for cellulosic ethanol and other energy production and provides for 5 year contracts for producers to grow dedicated energy crops.
- Provides for an incentive for producers to harvest, store, and transport biomass to bioenergy facilities.
- Offers an incentive to help farmers learn how to plant, cultivate, harvest and transport these feedstocks in a cost-effective manner.

- **Continues to Promote the Federal Procurement of Biobased Products**

The 2007 Farm Bill:

- Clarifies that products with at least five percent of intermediate ingredients and feedstocks that are biobased should be considered under the preference.
- Requires USDA to complete rulemaking on labeling regulation.
- Provides \$10 million for the testing and labeling of biobased products and for expanding awareness of the BioPreferred Program

Program Basics:

- Statutes currently require Federal agencies to purchase biobased products under certain conditions and authorize a voluntary biobased labeling program.
- USDA regulations define biobased products, identify biobased product categories, and specify the criteria for qualifying those products for preferred procurement.

- **Establishes a Forest Bioenergy Research Program**

The 2007 Farm Bill:

- Provides \$75 million to create a program to address the specific issues facing the use of woody biomass for bioenergy production, including feedstock issues such as yield and new varieties.

- **Extends the Biomass Research and Development Program**

The 2007 Farm Bill:

- Extends the Biomass Research and Development Program (Section 9008) through 2012.

Program Basics:

- The program provides competitive funding for research and development projects on biofuels and bio-based chemicals and products, administered jointly by the Secretaries of Agriculture and Energy.

2007 Farm Bill Horticulture and Organic Title:

Providing New Resources for Fruit and Vegetable Producers

- **Funds the Specialty Crop Block Grant Program**

The 2007 Farm Bill:

- Provides \$365 million in mandatory funding to expand the specialty crop block grant program.

Program Basics:

- Currently, funding for specialty crop block grants depends on annual renewal of appropriations from Congress. The 2007 Farm Bill would make that money mandatory every year.
- The block grants are provided to states to support projects in research, marketing, education, pest and disease management, production, and food safety.

- **Provides new funding to support organic farmers**

The 2007 Farm Bill:

- Provides \$22 million in mandatory funding for USDA's cost-share program.
- Provides \$3 million in mandatory funds for organic marketing data collection and publication

Program Basics:

- The USDA's National Organic Certification Cost-Share Program defrays the costs that producers and handlers incur when seeking organic certification.

- **Extends and expands the Farmers' Market Promotion Program**

The 2007 Farm Bill:

- Renames the program the "Farmers' Marketing Promotion Program" and expands the activities included in the program, such as expanding the use of EBT systems at farmers markets
- Provides \$32 million in mandatory money funding to expand opportunities for direct producer-to-consumer marketing.
- Expands producers' eligibility to access funds in the program

Program Basics:

- The Farmers' Market Promotion Program provides competitive grants to improve and expand farmers markets, roadside stands, community-supported agriculture programs, and other direct producer-to-consumer market opportunities.

- **Doubles the amount of USDA purchases of Fruits and Vegetables using Section 32 funds**

The 2007 Farm Bill:

- Expands the USDA's purchases of fruits, vegetables, and nuts by about \$406 million.

Program Basics:

- Using Section 32 authority, USDA directly purchases and then donates a variety of non-price supported commodities, including fruit, vegetable and tree nut products, through domestic nutrition and food assistance programs.
- These purchases and donations help nutritionally vulnerable recipients (such as low-income school children, participants at family child care homes, and others) eat a healthy diet and avoid hunger, while helping to balance supply and demand for various products.

- **Helps Fruit and Vegetable Producers address food safety, pest and disease management issues**

- The 2007 Farm Bill:

- Provides \$200 million in mandatory funding for pest and disease detection and control.
 - Gives fruit and vegetable producers a new tool for cooperating in efforts to fight food-borne illness. Authorizes USDA to approve producers' requests to include in marketing orders good handling practices and other methods for ensuring the safety and wholesomeness of specialty crops.
 - Directs USDA to develop assessments of pest and disease threats and to establish priorities for defeating them.
 - Provides money and outlines a plan for new programs of joint action between Federal and State governments to provide for early detection and surveillance of plant pests and diseases.
 - Establishes proactive, cooperative, audit-based certification systems between USDA, States, and growers to address plant pest infestations.

- **Continues support for Beekeepers and prioritizes research on Colony Collapse Disorder**

- The 2007 Farm Bill:

- Supports beekeepers by extending the honey marketing loan.
 - Requires USDA to continue research to identify causes and solutions to address Colony Collapse Disorder in honey bees.

- Program Basics:

- Honey prices are supported through marketing loans that provide interim financing and additional income support if market prices fall below 60 cents per pound.
 - Colony collapse disorder (CCD) is characterized by the sudden die-off of honey bee colonies. The cause of CCD has not been determined and is a cause of concern for beekeepers and farmers who rely on bees to pollinate their crops.

- **Establishes and funds a National Clean Plant Network**

- The 2007 Farm Bill:

- Provides \$20 million in mandatory funding to establish and operate the National Clean Plant Network

Program Basics:

- Develops a national source for clean plant stocks for horticultural crops
- The program would help maintain plant stocks that are free from pests and diseases

2007 Farm Bill Miscellaneous Title

Crop Insurance

- **Promotes conservation and protects our nation's prairies.**
 - Denies crop insurance coverage for crops grown on grassland or pasture that has never been planted to the breaking of virgin prairie land.
- **Expands data mining for crop insurance records to reduce waste, fraud and abuse.**
 - Authorizes mandatory funds to search crop insurance records for anomalous patterns that indicate potential fraud.
 - Data mining has a proven record of detecting and deterring fraud and abuse in the crop insurance program and saving millions of dollars
- **Reforms crop insurance to provide better coverage for organic producers.**
 - Requires USDA's Risk Management Agency (RMA) to conduct a thorough risk analysis on differences between conventional and organic crops
 - Directs RMA to reduce premium surcharges on organic crops if the analysis demonstrates no significant difference in production risks between conventional and organic crops.
 - Directs RMA to work with USDA's Agricultural Marketing Service (AMS) to discover prices organic products receive in the marketplace so those prices can be incorporated in the crop insurance options available to organic crops.
- **Decreases reimbursements to crop insurance companies.**
 - The government's costs for administrative and operating (A & O) expense reimbursements paid to crop insurance companies have increased at a greater rate than the delivery costs born by the companies during this period of high commodity prices.
 - The 2007 Farm Bill cuts A & O reimbursement by 2 percentage points to control rising government costs.
- **Authorizes renegotiation of the Standard Reinsurance Agreement (SRA).**
 - The SRA governs the terms and conditions under which crop insurance companies provide crop insurance to farmers.
 - The last SRA Renegotiation took place in 2005 and the Federal Crop Insurance Corporation (FCIC) currently lacks the authority for further renegotiations.
 - This allows FCIC to conduct periodic renegotiations of the SRA to ensure that the crop insurance market reflects current conditions.
- **Increases efficiency and education in the crop insurance program to help farmers better manage risk.**

- Allows producers to purchase supplemental area-based crop insurance in addition to individual yield or revenue policies, which will help farmers to better prepare for poor crop years.
- Increases USDA's focus on risk management education for socially disadvantaged and beginning farmers and ranchers.
- **Improves access for development of new crop insurance policies.**
 - Under current law, proponents of new crop insurance policies risk bearing all of the costs associated with developing new policies.
 - The bill creates a new process allowing FCIC to begin bearing the financial risk of developing a new crop insurance product.

Livestock and Poultry

- **Provides a new option for producers who have disputes with processors.**
 - Directs the Secretary to Agriculture to develop rules and regulations related to arbitration between producers and processors and to require the Grain Inspection, Packers, and Stockyards Administration (GIPSA) to enforce them.
- **Increases market access for small, state inspected meat and poultry processing plants.**
 - Allows states with meat inspections programs that are identical to the Federal regulations to ship meat and poultry products to other states.
- **Implements Mandatory Country of Origin Labeling for meat.**
 - Establishes three labeling options for meat:
 - 1) U.S. Country of Origin label for animals born, raised and slaughtered in the U.S.
 - 2) Mixed Origin meat label for animals that were not exclusively born, raised and slaughtered in the U.S.
 - 3) Imported Meat label for animals from foreign countries.
 - * Labels 2 and 3 would name the country or countries where the animal was born, raised and slaughtered.
 - Allows for ground meat products to be labeled with a narrative list of countries from which the products could be derived but does not require the label to specify the percentage of product from the respective countries.
 - Provides verification of country of origin through existing documentation, for example, normal business records, animal health papers, import or customs documents, or producer affidavits.

Socially Disadvantaged Producers

- **Increases funding for and service by the Section 2501 Socially Disadvantaged Farmers and Ranchers Outreach and Technical Assistance Program.**
 - Establishes mandatory funding of \$15 million per year for 5 years for a total of \$75 million.

- Amends the 2501 program to better meet the needs of socially disadvantaged farmers and ranchers by:
 - Enhancing the coordination of the outreach, technical assistance, and educational efforts authorized under agriculture programs
 - Assisting the Secretary in reaching and improving participation of prospective socially disadvantaged farmers and ranchers
 - Allowing any agency in the USDA to make grants and enter in to contracts with Community Based Organizations
 - Requiring the Secretary of Agriculture to provide Congress with an annual report on the program's operation and any ideas on making programs more available

- **Improves transparency and accountability for Socially Disadvantaged Farmers and Ranchers.**
 - Requires USDA to annually compile application and participation rate data for socially disadvantaged farmers and ranchers in USDA programs
 - Authorizes all USDA agencies to collect and transmit any data to the Secretary, including data on race, gender, and ethnicity

- **Funds the Beginning Farmer and Rancher Development Program with \$15 million per year in mandatory funding.**
 - The Beginning Farmer and Rancher Development Program provides training, education, outreach and technical assistance initiatives for beginning farmers and ranchers

- **Requires USDA to provide a receipt of service or denial of service in any case in which a producer or landowner, or prospective producer or landowner requests one.**

- **Directs the Secretary of Agriculture to find a permanent location for the USDA Office of Outreach**
 - Moves responsibility for USDA's Outreach and Technical Assistance Program and the Beginning Farmer and Rancher Development Program to the Office of Outreach.
 - The Office of Outreach will also administer the Beginning Farmer and Rancher Development Act

- **Establishes a Farmworker Coordinator in the Office of Outreach.**
 - The coordinator will be responsible for serving as a liaison to groups that represent low income migrant and seasonal farmworkers; coordinating with USDA and State and local governments to assure that farmworker needs are met during declared disasters and emergencies; and assuring that farmworkers have access to services and support to enter agriculture as producers.

- **Establishes a Minority Farmer and Rancher Advisory Committee at USDA to accomplish the following:**
 - Review civil rights cases to ensure that they are processed in a timely manner,
 - Report quarterly to the Secretary of Agriculture on civil rights enforcement and outreach;
 - Recommend to the Secretary corrective actions to prevent civil rights violations.
 - Review the operation of the USDA's Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers under Section 2501

Other Provisions

- **Allows the Secretary of Agriculture to make surplus USDA computers or technical equipment available to any city or town in a rural area.**

University of Arkansas, United States Department of Agriculture and County Governments Cooperating.
The Division of Agriculture offers its programs to all eligible persons regardless of race, color, national origin, religion, gender, age, disability, marital or veteran status, or any other legally protected status, and is an Affirmative Action/Equal Opportunity Employer.